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SUBJECT: RUSSIA'S ALTAI REPUBLIC FACES ECONOMIC PROMISE AND
ECOLOGICAL THREAT OF TOURISM

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SENSITIVE BUT UNCLASSIFIED -- PLEASE PROTECT ACCORDINGLY.

11. (U) SUMMARY: Rising tourism presents an economic opportunity for the Altai Republic's mostly rural population, but also threatens its unspoiled wilderness. Threats include desecration of ancient cultural sites, poaching of endangered wildlife, and, to a lesser extent, illegal logging. Development assistance, led by the UN Development Program (UNDP) and the World Wildlife Fund (WWF), has helped integrate local farmers into the tourism economy in environmentally sustainable ways. It has also helped strengthen park management and created models of productive cooperation among businesses, government, NGOs, and local residents. Although the regional government lacks financial resources, small-scale partnerships with the private sector have advanced environmental protection and green development. END SUMMARY.

TOURISM'S PROMISE...

12. (U) Embassy representatives visited the mountainous Altai Republic in Russian Central Asia July 11-16 to study ecological challenges facing the region. Altai's unspoiled wooded wilderness has drawn a rising wave of tourists in recent years. (Note: The Altai Republic should not be confused with the neighboring Altai Krai. End note.) Its population of approximately 205,000 is scattered across a territory about the size of Maine, predominantly in villages of less than 1,000 inhabitants devoted mostly to subsistence livestock farming. There are no railroads and virtually no heavy industry. Nearly one-quarter of the republic is designated as protected territory of different types, from two strictly controlled federal nature reserves ("zapovedniki"), where tourism and all other economic activity is prohibited, to six poorly funded nature parks under regional jurisdiction that are protected more in theory than in practice. Ancient Scythian and Turkic civilizations left a wealth of cultural artifacts here, including burial mounds and petroglyphs up to 2,500 years old.

13. (U) The Altai Republic is one of Russia's poorer provinces. As a "recipient region," it receives federal subsidies at the expense of

more prosperous territories. With no major deposits of mineral wealth and a sparse population, tourism is among the few economic stars to which Altai can hitch its development wagon. Up to 75 percent of tourists come from neighboring regions by car; their vehicles, tents, and barbecue grills line the Republic's riverbanks and lakeshores in summer. Rustic lodges and family resorts are proliferating. In villages large and small, families provide traditional yurt-like dwellings ("ayils") for tourists, and operate craft studios and souvenir shops. Roads, even in remote and mountainous areas, are generally in excellent condition. And in marked contrast to heavily trafficked tourist destinations in other parts of Russia, roadside litter is rare.

14. (U) Basing economic growth on tourism is a risky venture, as discretionary tourist spending is usually among the first victims of an economic downturn. However, according to Igor Kalmykov, Director of the Altai Zapovednik, tourism has not suffered in the past two years, judging by the number of visitors to the lakeside attractions bordering on the reserve. (COMMENT: Tourist traffic might have remained strong in the current crisis simply because most tourists come short distances and spend little money during their visits. But Kalmykov's measure is also a tiny sample of the total tourist trade. END COMMENT.)

... AND THREAT

15. (SBU) The most widely publicized threat to Altai's environment is the poaching of endangered wildlife. The problem made national headlines this year when a helicopter crashed into a mountainside near the Mongolian border on January 9, killing several high-ranking federal and regional officials who had been on a hunting expedition. The victims included Alexander Kosopkin, President Medvedev's permanent representative in the State Duma, and Viktor Kaimin, Chairman of the Altai Republic's Wildlife Protection Committee,

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which is responsible for issuing hunting licenses. Photos in national newspapers showed the wreckage surrounded by the carcasses of endangered Argali sheep, highly prized among trophy hunters, which had clearly not been killed by the falling helicopter.

16. (SBU) Alexei Vaisman of the World Wildlife Fund (WWF) told the English-language "Moscow Times" newspaper in a January 23 article, "Over the last decade, Altai has become a place where helicopter hunting has become rather common... It's popular among high-level officials and so-called New Russians, who think they are above the law." A reporter for the national newspaper Novaya Gazeta told us that such VIP hunting trips are common knowledge in Altai. Igor Kalmykov told us that local environmental protection officials and the public particularly resent this phenomenon, because Moscow officials often coerce local bureaucrats to violate environmental laws in facilitating the expeditions. A local administration head told us that because of public outrage over the incident, the federally appointed governor, Alexander Berdnikov, may not be reappointed when his current term of office expires next year.

17. (SBU) Small-scale poaching and illegal logging by local residents also threaten wildlife and habitats. Kalmykov told us that locals turn to poaching in depressed economic times to supplement meager incomes. He explained that commercial logging is rare in Altai because, although Altai borders China, mountainous terrain and the absence of railroads make timber export difficult and unprofitable. He added that uncontrolled timber harvesting by locals for home fuel and building materials poses a greater threat. One livestock farmer in central Altai corroborated Kalmykov's statement, but he complained that so much of Altai's forest land is restricted for ecological reasons that it is difficult to obtain wood legally.

18. (U) Like elsewhere in Russia, Altai's environmental protection efforts are hampered by a lack of government resources and weak regulation. While Altai's federally funded zapovedniki benefit from a strong cadre of wardens and a complete ban on tourism, the six nature parks under regional jurisdiction have virtually no effective protection. The republic budget provides for only a handful of salaried staff; the Uch-Enmek Nature-Ethnic Park in central Altai

covers 250 square miles and has only five employees, one of whom is responsible for park security. We saw ancient petroglyphs defaced by graffiti in this and other parks, with staff powerless to regulate public access or prevent vandalism. Park director Daniil Mamiyev told us that, despite laws providing for park protection, there is no implementing legislation that authorizes park staff to enforce the law.

PROMOTING ENVIRONMENT-FRIENDLY GROWTH

¶9. (U) Throughout Altai we found evidence of, and praise for, the work of international development and environmental organizations, most prominently the UN Development Program (UNDP) and the World Wildlife Fund (WWF). UNDP is managing a portfolio of ecology and development projects through its six-year, \$16 million program, "Biodiversity Conservation in the Russian Portion of the Altai-Sayan Ecoregion," the current phase of which ends in 2010. The program has funded new visitor centers for nature parks, training and equipping of park rangers to deter poaching, and developing of teaching materials for schools. One example of UNDP's support is an innovative anti-poaching system, now being deployed in the Altai Zapovednik, in which remote hidden sensors detect the tell-tale vibrations of human activity and transmit alerts via satellite to a central computer system, thus giving wardens a new rapid-response capability. At the Kalbak-Tash petroglyph complex in the Argut Nature Park, a UNDP grant made it possible for staff to build wooden barriers to help protect the ancient Scythian rock carvings at the site. In 1998, WWF initiated a similar program, which is now prominent enough to merit a page on the Altai Republic's official website.

¶10. (U) Travel programs have shown similarly encouraging results. The Fund for Sustainable Development of Altai, a nongovernmental partnership managed by U.S.- and Altai-based coordinators, has

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facilitated exchanges with U.S. park managers, including at Adirondack Park in upstate New York and in Massachusetts. The Open World Leadership Center of the Library of Congress has included several Altai environmentalists in its exchange programs. Daniil Mamiyev of the Uch-Enmek Park, who has visited the United States under the auspices of both organizations, has since developed a comprehensive park management plan inspired by those of the U.S. National Park Service. Ruslana Toptygina, director of the Chuy-Oozi Nature Park and an Open World program alumna, told us she was inspired by the logo souvenirs of U.S. parks to start a branding campaign of her own. Svetlana Shchigireva, the Altai Zapovednik's director of public outreach, who traveled to Vermont on an Open World program in 2005, said she was particularly impressed with New England's public hearings and town hall meetings. She brought this example to her work with the Lake Teletskoye Community Council (para. 12).

¶11. (U) UNDP's program includes training, micro-grants, and micro-loans to encourage environmentally sustainable alternative livelihoods. Natalya Olofinskaya, head of UNDP's environmental protection program in Russia, told us that UNDP has not encountered any more fertile ground for this type of community development than in Altai. Livestock farmer Tonskoy Todukov proudly showed us his new guest cabins and visitor center on the banks of the Katun River near the village of Inegen, whose construction was financed by a WWF grant. On the property, Todukov is also cultivating medicinal herbs for sale, with seedlings provided by the Central Siberian Botanic Garden in Novosibirsk. UNDP and WWF have also nurtured a folk art industry that has sprung up to serve the tourist market. Examples include three craft studios we visited, which are housed in wooden cabins in villages in northwest Altai's Chermal District. Rimma Anchibayeva, head of the Inya Village Administration in central Altai, told us that schools have begun teaching folk crafts to give students marketable skills and an appreciation of their culture. WWF grants in Anchibayeva's district have also enabled farmers to establish workshops to manufacture marketable products from goatskins.

COMMUNITY COUNCILS: AN EXPERIMENT IN LOCAL DEMOCRACY

¶12. (U) Development organizations have also spawned an innovative experiment in local democracy at Teletskoye Lake in northeast Altai that has already brought practical benefits to the community and the environment. Teletskoye is a slender mountain rift lake, one of Russia's deepest, bounded on its eastern shore by the Altai Zapovednik. The area is popular among Russian tourists, many of whom cruise the lake in expensive powerboats. In the lakeshore communities we spoke with several members of the Teletskoe Lake Community Council, a non-governmental association registered in April of this year. The council is not intended to supplant official elected bodies; in fact, the village council itself is a member of the Community Council, along with local businesses, the managers of the Altai Zapovednik, and other stakeholders. The group's task is to promote ecological and socio-economic development through public-private cooperation.

¶13. (U) Igor Kalmykov, director of the Altai Zapovednik, is a member of the Community Council. In his brief tenure he has distinguished himself from his predecessor in taking a more liberal approach to visitor access and community involvement. Soon after taking office, he negotiated an agreement with local tour boat operators, facilitated by the Community Council, to allow controlled public access to the popular Korbu Waterfall on the edge of the lake. The agreement ended a violent impasse that had begun when the previous park director raised access fees to prohibitive levels, choking off the tour operators' business and livelihood. The Community Council also claims credit for the remarkably clean and litter-free state of the roads and lakeshores. The head of the council, a young entrepreneur named Ivan Yuzhakov, recounted how the Council organized a cleaning spree lasting several months, in which schoolchildren gathered and bagged garbage from public lands around the lake, and tour boat operators hauled the bags to a central location for transport to a landfill.

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CULTIVATING GOVERNMENT INVOLVEMENT

¶14. (SBU) Our interlocutors in Altai agreed that, while park managers have traveled often to the United States on technical exchanges, more government officials should participate in these trips. At present, some highly placed officials are largely unaware of such programs. A case in point was Governor Berdnikov's assistant Dmitriy Shepel, a career civil servant who accompanied us for two days of our visit and admitted that our meetings with park managers gave him a new understanding of environmental issues. On the other hand, officials who are aware of development programs and community initiatives tend to support them. Rimma Anchibayeva, the popularly elected head of the Inya Village Administration, actively recruits participants for conferences and seminars organized by WWF and UNDP. Local contacts told us that she won re-election last year based in part upon her record of enthusiastic involvement in sustainable development initiatives.

COMMENT: ALTAI REPUBLIC - AN EXCEPTION WORTH STUDYING

¶15. (U) The Altai Republic is known throughout Russia for being among the most pristine, thanks to its remoteness and its lack of industry. We saw no evidence of federal or regional environment monitoring, but residents clearly treasure their environment and are active in preserving it. Although federal nature reserves had adequate staff to protect them from encroachment, regional protected lands were essentially unprotected - both by people and by the law. WWF and UNDP's small-scale micro-lending programs have given a vital impetus to local entrepreneurship and guided local businesses to be sensitive to environmental needs. As these grants diversify rural economies away from an exclusive focus on farming, they also ameliorate the problems of poaching and illegal logging. Exchange programs, particularly those with Native American tribes, have been especially useful for Altai's indigenous communities to preserve their cultures while safeguarding their environment. Most important to successful conservation, however, was the engagement of local and

regional officials with the private sector.

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